

EH PRICE LIMITED

**SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
LOCAL UNION NO. 280
(PRODUCTION WORKER SECTION)**

PRODUCTION AGREEMENT

November 1, 2005 – May 31, 2009

AGREEMENT

This Collective Agreement named for reference **EH PRICE LIMITED PRODUCTION AGREEMENT** and dated the 1st day of November 2005.

BY AND BETWEEN:

EH PRICE LIMITED

(Hereinafter referred to as “the Company” or “the Employer”)

PARTY OF THE FIRST PART

AND:

LOCAL UNION NO. 280, SHEET METAL WORKERS’ INTERNATIONAL ASSOCIATION on behalf of its **PRODUCTION WORKERS SECTION.**

(Herein after referred to as “the Union”)

PARTY OF THE SECOND PART

establishes by mutual consent the following terms and conditions:

ARTICLE 1 – PREAMBLE

- A. The general purpose of this Agreement is to establish uniform and fair wages, hours and working conditions for all Employees of the Company covered by the terms of this Agreement; to prevent strikes and lockouts by peaceful adjustment of all grievances and disputes which may arise between Employer and Employee and to prevent waste, unnecessary and avoidable delays and expense so that labour or other costs may be as low as possible, consistent with fair wages and working conditions.
- B. This multi-purpose Agreement that is applicable in its general form to manufacturers of “production” sheet metal, plastic and related products. Also, it may be applicable to maintenance and other services. It applies only indirectly to the sheet metal trade of the building and construction industry. The Employee-members directly covered shall be termed “Production Workers”, shall not do the work of the Sheet Metal Worker or Roofer, and shall not be required to qualify as Sheet Metal Workers or Roofers under the terms of the Apprenticeship and Tradesmen’s Qualification Act.

ARTICLE 2 – SCOPE OF AGREEMENT

- A. This Agreement shall apply to all Employees engaged in fabrication, production, servicing and related work in or from the shop or plant of the Employer, excluding all current positions which include: Management personnel, Sales personnel, office staff, warehouse personnel, and Journeyman Sheet Metal Workers’, Roofers and their Apprentices hired in accordance with Sections “C” and “D” of this Article.
- B. A general list of the products fabricated or services rendered with description of the type of plant is contained in Schedule “D”, attached to and part of this Agreement. Such products shall be termed “Production” articles.
- C. All fabrication work falling within the regular jurisdiction of the sheet metal trade and coming in direct competition with Employers signatory to the Standard Form of Agreement of Local Union No. 280, (e.g. ventilation and air-conditioning work, kitchen equipment, architectural and general sheet metal work, etc.) shall be paid at the rate and conditions of the Standard Agreement.
- D. All field work coming within the trade jurisdiction of the Sheet Metal Worker or Roofer of the building and construction industry shall be done by Journeymen of Local Union No. 280, at the appropriate rate and conditions.

All Employees required to hold a Sheet Metal Tradesmen’s Qualification Certificate under the terms of the Apprenticeship and Tradesmen’s Qualification Act shall be Journeymen members of Local Union No. 280 and shall be employed in accordance with the terms of the Standard Agreement (Sheet Metal) of Local Union No. 280.

ARTICLE 3 – MANAGEMENT RIGHTS

- A. Within the framework of this Agreement, the Company reserves the exclusive right to manage the business, to decide the products it will manufacture, the services it will render, the methods by which the work will be done and the general standards of workmanship.
- B. Also, within the framework of this Agreement, the Company reserves the right to engage, discharge, suspend, or discipline Employees for just cause, to promote or transfer Employees from one department to another, to increase or decrease the working force and to make reasonable rules for the safety of the plant and for the guidance and safety of its Employees.

ARTICLE 4 – UNION RESERVATIONS

- A. It shall not be considered a violation of this Agreement for members to respect legal picket lines.
- B. The Union reserves the right to render assistance to other labour organizations. Both the Company and the Union agree that there shall be no work stoppages or lock outs during the duration of this agreement.
- C. The Union agrees to promote efficient working conditions, quality of workmanship, workplace safety and avoidance of unnecessary delays and expense so that labour costs or other costs may be as low as possible, consistent with the terms of this Agreement.

ARTICLE 5 – UNION SECURITY

- A. The Union shall be the sole bargaining authority for all Employees covered by this Agreement and it is agreed that all present and future Employees coming under the scope and provisions of this Agreement shall become members of, and/or maintain membership in the Union.

All new Employees shall be informed of this Section. Union membership will be available to all on an equal basis without discrimination, subject only to the By-Laws and Constitution of the Union.

- B. The Company agrees to notify the Union when additional Employees are required; it is understood however; that in the event that the Union is unable to supply the requirements of the Company for additional Employees that have the skill and/or ability to learn after reasonable notice forty-eight (48) hours, these additional Employees may be secured from other sources, provided that the Employees so obtained shall first obtain a “clearance” from the Union.

The obtaining of a “clearance” from the Union shall ensure that all Employees are proper members or applicant-members of the Union, have properly signed appropriate dues check-off cards. Where due to distance involved and where a hardship would be evident for a potential Employee to obtain “clearance” from the Union Office, arrangements may be made for proper “sign-up” by the responsible Shop Steward.

- C. The Company agrees to deduct each month from the earnings of each and every Employee covered by this Agreement, such sum by way of monthly dues as may be fixed by the Union, or such sum as payment or partial payment on an initiation fee as maybe fixed by the Union under the provisions of its Constitution.

The total monthly amount to be deducted from the first pay of the month of each Employee and promptly remitted to the Union by the fifteenth (15th) day of the month following that which contributions cover, together with an itemized list of the names of the Employees to whom said monies are to be credited. Should any Employee have no earnings due him on the first pay of the month, deductions shall be made from the next succeeding pay of the Employee.

ARTICLE 6 – REPRESENTATION

- A. Business Representatives of the Union shall have access to the shop or plant during lunch hours for conducting Union business, but at other times shall first ask permission of the Management.
- B. A Shop Steward shall be recognized and shall not be discriminated against for the performance of his duties within the terms of this Agreement and will not perform his duties on Company time without prior permission of management. Management will act reasonably in giving consent.
- C. The Employees of the Company who are Production Members of the Union shall elect a Shop Committee, consisting of a Chairman and one member, and the Company shall recognize same.
- D. The Chairman of the Committee shall be considered the Shop Steward.
- E. Management-Shop Committee meetings shall be held once a month by the Shop Committee Chairman and/or Management. These joint meetings shall consist of the Shop Committee members, the Shop Foreman or Superintendent, a responsible Manager or Director of the Company and the Business Representative of the Union if able to attend. Meetings shall be held at least once a month but not oftener than once a week. The Committee meetings will be held at times mutually agreed to.
- F. These joint meetings shall handle and process any grievances as outlined in the following Article. The joint meeting shall also function as the Health and Safety Committee. Questions of safety and health, etc. shall be proper topics of discussion and settlement by these joint meetings. Both parties to this Agreement commit themselves to the fullest co-operation with the object of maintaining uninterrupted production in the plant.

ARTICLE 7 – GRIEVANCE PROCEDURE

- A. "Grievance" shall mean any difference or controversy by and/or between the persons or Parties bound by this Agreement, concerning its terms, interpretation, application, operation or alleged violation thereof. It shall further mean differences concerning alleged violation of existing social or labour legislation.

- B. The grievance shall be reduced to writing and signed by the aggrieved party. Grievance must state the nature of the incident, the provision of this Agreement on which the grievance is based, and the relief sought. Attempts shall be made in the first instance to settle all grievances by informal discussion between the Parties hereto. Except in the case of wage claims or claims on fund payments, all grievances shall be first presented within fourteen (14) days, of awareness of the aggrieved, but not later than thirty (30) days, or judged to be abandoned. All grievances regarding wages or funds must be received in writing within six (6) months after the alleged grievance or judged to be abandoned.
- C. Should informal discussions fail to achieve a solution, either party may invoke a sitting of a special Joint Committee, persons to be nominated by each party. This Joint Committee shall meet within three (3) days of its invocation. If this Joint Committee should fail to effect a settlement, the grievance may be referred to an Arbitration Board.

ARTICLE 8 – ARBITRATION

- A. When requesting Arbitration of the other Party to a dispute, the requesting Party shall, at the same time and in the same communication, state who its nominee on the Arbitration Board shall be.
- B. Upon receipt of the above communication, the other Party shall, within five (5) days inform the initiating Party of its nominee to the Arbitration Board.
- C. The Labour Relations Board shall be asked to appoint a nominee, if the conditions of Sub-Section “B” above are not met within the required time.
- D. The two nominees or appointees shall, within five (5) days, endeavour to agree upon a Chairman; if they are unable to do so within the required time, the Minister of Labour shall be requested to appoint a Chairman.
- E. The Arbitration Board shall meet and render their decision within ten (10) days of the Chairman’s appointment, unless an extension of time is mutually agreed upon.
- F. The question of whether a particular dispute is Arbitrable is itself a matter for the Arbitration Board.
- G. Each Party shall stand the cost and expense of its own nominees to an Arbitration Board and one-half the cost and expense of the Chairman.
- H. The decision of the Arbitration Board shall be final and binding on all Parties.

ARTICLE 9 – WAGE RATES AND CLASSIFICATIONS

- A. Wage rates shall be as shown in Schedule “A”, attached and part of this Agreement.
- B. Labour classifications shall be as laid out in Schedule “B”, attached to and part of this Agreement.

- C. Should new classifications be required that do not obviously fit into the attached Schedule of Classification, the Union and the Company shall immediately sit down and negotiate a satisfactory name and wage rate for such new classification. The agreed rate will become part of this Agreement.
- D. New hires shall work under provisions of this Agreement, but shall be considered a probationary employee for the first thirty (30) days of continuous employment. The probation period may, by mutual agreement of the parties to this agreement, be extended by an additional thirty (30) days. Terminations within the first thirty (30) days of continuous employment are non-grievable.

The probationary period only applies the first time an individual is hired.

ARTICLE 10 – HOURS OF WORK, OVERTIME AND SHIFT WORK

- A. Regular work days shall be from Monday to Friday inclusive and regular work hours shall be from 7:30 a.m. to 12:00 noon, and from 12:30 p.m. to 4:00 p.m. The regular work week shall be forty (40) hours and the regular work day shall be eight (8) hours.

The starting and quitting times are to be flexible to one (1) hour earlier or later to meet business needs at the discretion of Management.

Within the forty (40) hour workweek, if a Member loses hours of work due to unspecified causes, he shall be entitled to make up time lost within the pay period or at the earliest opportunity at the straight time rate of pay, with mutual consent between the Employee and the Employer.

- B. All overtime shall be paid for at the rate of time and one-half (1½) for the first two (2) hours on a workday and double time thereafter. All work performed outside regular hours of labour (except as noted in Section “C” of this Article) and all work performed on Saturdays, Sundays and Statutory Holidays shall be considered overtime. The first eight (8) hours worked on a Saturday shall be paid at a rate of time and one-half (1½). Sundays and Holidays shall be paid at the double time rate.
- C. When it is found necessary to work what is generally known as a second or third shift, the hours of work and payment thereof shall be as follows:

Seven and one-half (7½) hours shall constitute the second shift for which eight (8) hours' wages and “fringes” shall be paid.

Seven (7) hours shall constitute the third shift, for which eight (8) hours' wages and “fringes” shall be paid.

If it is found necessary to transfer an Employee from one shift to another, a period of at least one (1) full shift must elapse between shifts worked.

There shall be a period of at least two (2) full shifts elapse for shift transfer of an Employee at the weekend.

- D. It is agreed that all Employees must be at their work at the start of each shift, and must not leave their work without just cause until they have completed their full shift of hours.
- E. The Employer shall supply a time clock to be used by all hourly Employees signatory to this Agreement.

ARTICLE 11 – HOLIDAYS AND VACATIONS

- A. The recognized “Statutory Holidays” that shall be observed are:

New Year’s Day	Labour Day
Easter Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
B.C. Day	Boxing Day

and any other day declared as such by the Provincial or Federal Governments.

When a Statutory Holiday(s) falls on a Saturday or a Sunday, the following or preceding workday(s) shall be observed.

- B. Employees shall receive vacation pay at the rate of six percent (6%) of gross earnings for three (3) weeks of annual vacation.
- C. If an Employee works on a Statutory Holiday, he shall receive the appropriate overtime rate plus Holiday Pay
- D. The foregoing Vacation Pay shall be paid to the Employee on each and every pay cheque.
- E. Employees with thirty (30) days of employment with the Company will be eligible for Statutory Holiday Pay at their straight time hourly rate for eight hours per holiday provided the employee works all regular hours of the day before and the day after the holiday.

ARTICLE 12 – YEARLY VACATIONS

- A. Employees shall receive three (3) weeks Annual Vacation with pay, the payment for which shall be on the basis of six percent (6%) of their gross earnings of the preceding period. The time taken shall be rated, based on the fact that two percent (2%) of an average year’s earnings is equal to one (1) week’s vacation.

- B. An employee with less than one (1) year's of service shall be entitled to one (1) day of vacation for each one hundred and twenty (120) hours of employment to a maximum of fifteen (15) days.
- C. Vacations to be taken at a time mutually agreed upon by Management and Employees.

ARTICLE 13 – STANDARD HEALTH BENEFIT PLAN

- A. Company will supply a Company medical plan language will be developed in contract.

ARTICLE 14 – REST PERIODS

- A. Employees shall be entitled to two (2) paid ten minute rest periods each day; one (1) period before and one (1) period after lunch break.

ARTICLE 15 – SAFETY AND HEALTH

- A. All Parties agree to accept, promote, and conform to the Accident Prevention Regulations of the Workers' Compensation Board.
- B. It is agreed that clean and adequate lunchroom and toilet facilities shall be available to the workforce.
- C. Safety shoes are a requirement of employment. New hires are required to have safety shoes upon employment. After six (6) months of employment a Safety Boot Allowance of seventy-five dollars (\$75.00) will be paid to each Employee per annum by the Company.
- D. Eye protective glasses provided by Company to be worn at all time on the shop floor work areas.
- E. No smoking in the work areas, smoking allowed only in designated area during break periods.
- F. Every Employee is responsible to leave his or her work area in a clean and safe condition. Good housekeeping practices shall be adhered to at all times. When tools and materials are not being used they should be put back in their proper places.
Above paragraphs in this Article are subject to to discipline or even discharge if not adhered to per Article 3.

ARTICLE 16 – PAYMENT OF WAGES AND TERMINATION

- A. Termination and lay off shall be carried out as per the Province of British Columbia Employment Standards Act.

- B. Pay periods shall be bi-weekly and pay day shall be paid by direct deposit.

ARTICLE 17 – ACCIDENT

- A. When an employee is injured during the first half of a shift, the employee shall be paid a minimum of four (4) hours for that shift. Where the employee is injured in the second half of a shift, the employee shall be paid a minimum of eight (8) hours for that shift.
- B. Company shall reimburse the Employee for expenses required to use his or her own vehicle to transport an injured worker to hospital or clinic at the rate of thirty-five cents (\$0.35) per kilometer plus any parking or toll fees.
- C. The Company agrees to allow employees, who have completed their probationary period, paid time off for the purpose of making funeral arrangements where necessary and to attend the funeral of immediate family members. Immediate family members shall be defined as: spouse, natural mother, natural father, natural brother, natural sister, natural blood children, or legally adopted children. Employees shall be paid for the time lost exclusive of overtime from their regular scheduled work week for up to three (3) consecutive regularly scheduled workdays. The days must be taken at the time of the funeral and the employee must provide proof of death, attendance at the services and relationship to the deceased. The number of days paid shall be dependent on the circumstances presented by each situation and the Company's determination of the number of days necessary for attendance at the funeral or requirements to make funeral arrangements. Bereavement pay will not count as time worked for overtime purposes.
- D. Each employee shall take part in the Company return to work program for work related injuries. Company will supply as needed.

ARTICLE 18 – BULLETIN BOARD

- A. A Bulletin Board shall be made available by the Company for the exclusive use of the Union and for the posting of this Agreement and other Union notices including health and safety minutes.

ARTICLE 19 – UNION LABEL

- A. During compliance with all the provisions of this Agreement, the Company may by arrangement with the Union display the Union Label of the Sheet Metal Workers' International Association on any or all items produced exclusively under the terms of this Agreement.

- B. The Company agrees that all Union Labels shall be the property of the Union and said permission to display the Union Label may be revoked by the Union for causes the Union deems adequate.
- C. The blue Union Label shall be used on "Production" articles. The yellow label shall only be used on "Trades" articles fabricated in accordance with Article 2, Section "C".

ARTICLE 20 – AMENDMENTS

- A. By mutual agreement between the Parties to this Agreement, any Article of Section thereof may be amended, revised or deleted, or new Articles or Sections added during the life of this Agreement.
- B. For convenience, any such amendments, deletions or additions will be put in the form of a duly signed additional Schedule, which will be attached to and become part of this Agreement.

ARTICLE 21 – SAVINGS AND DEPOSITION

- A. It is assumed by the Parties hereto that each provision of this Agreement is in conformity with all applicable laws. Should it later be proven that it would be a violation of any legally effective order or statute to comply with any provision or provisions of this Agreement, both parties agree to promptly renegotiate such provision or provisions of this Agreement for the purpose of making them conform to such orders or statutes and the other provisions of this Agreement shall not be affected thereby.
- B. Copies of this Agreement shall be deposited with the Minister of Labour and with the Labour Relations Board.

ARTICLE 22 – DURATION OF AGREEMENT

- A. All provisions of this Agreement shall be effective as from November 1, 2005 and for the period ending May 31, 2009 and shall continue in force and effect from year to year thereafter, unless either Party shall desire within a period of four (4) months prior to May 31, 2009 and then the established wage scales and conditions specified herein shall continue in force and effect pending negotiations and settlement of any proposed changes suggested by either Party.
- B. It is mutually agreed that if the term of this Agreement should be for more than one (1) year, that the provisions of Section 50, Sub-sections 2 and 3 of the Labour Code of British Columbia Act shall be excluded from the operation of this Agreement.

SCHEDULE "A"

Wages Rates

Nov. 1/2005

May 31/06

May 31/07

May 31/08

Leadhand	\$19.00	\$19.35	\$19.75	\$20.45
Production Technician II	\$13.95	\$14.32	\$14.69	\$15.05
Production Technician I	\$10.95	\$11.45	\$11.95	\$12.65

1. **New Hires:** During the term of this contract, new hires will be paid at a minimum in accordance with Schedule "A".
2. **Experienced Workers:** May enter the workforce at the wages determined appropriate by management, based upon evaluation of qualification and experience as presented at the time employment is offered.
3. **Exemplary Employees:** It shall be the prerogative of management to increase wages of an exemplary employee, to a level commensurate with that employee's capability to perform the requirements of the position.
4. The Company shall have the right to increase wage rates in Schedule "A" to retain its competitive position in the labour market.

SCHEDULE "B"

Classification Definition

Lead Hand

Must have mastered the operation and set up of any machine required in his/her department section and be able to produce at a top rate of output that is satisfactory to shop requirements. Must have a thorough knowledge of the products and procedures that are built in his/her section. He/she is required to oversee, train and instruct any Production Technician in his/her area in a safe and efficient manner. Lead hands are responsible for the quality standards set out by the Company for the products manufactured in their section.

Production Technician

Class II – Employee has good blueprint reading skills, shop math, and basic hand tools. Consistently meets shop production standards, works with minimal supervision. May be relied upon to assist with training of less skilled employees.

Class I – Employee who assembles products of the Company and operates various pieces of equipment per acceptable shop practice under close supervision of Foreperson. Available to assist/perform tasks necessary after proper instruction within the plant. This is a typical entry level position.

Promotion Funds	\$0.03 Company funded
Counsel Fund	\$0.02 Company funded
Rehab Fund	\$0.02 Company funded

Company will supply a pension plan. After one (1) year of employment employee can contribute up to 3% of their gross earnings and the Company will contribute up to 1% matching contributions.

SCHEDULE "D"

Plant Description, "Production" Articles, or Services

The Production shop of the Employer is engaged in the manufacture and fabrication of production items for resale as listed below. Also, the custom power shearing and braking of metal items not directly related to the sheet metal trade of the building and construction industry.

- Standard Access Doors
- Automatic Dampers (Control, etc.)
- Grills
- Ventilators (Gravity and Powered)
- Standard Hollow Metal Doors and Frames
- Machine Guards, when supplied to machinery manufacturing only
- Raceway Channels and Elbows
- Lay-in Duct Electrical
- Electrical Support Channel - Brackets
- Kick Plates and Corner Guards
- Pipe Saddles and Hangers (but not for Duct Work)
- Pipe Clamps and Supports (as above)
- Gas and Water Tanks
- Racks and Shelves
- Hand Rails and Cat Walks
- Standard Lockers
- Standard Manufactured Eavestrough and Downpipe
- Electrical Enclosures
- Process Control Cabinets and Consoles (Electrical)
- Sound Attenuators
- Custom Shearing and Forming - (not to include work falling within the jurisdiction of Local 280)
- Steam Cleaning
- Louvres
- Dampers (Balancing or Fire)
- Cab Pattern Work
- Boat Tanks
- Convector Covers
- Coils and Convectors (Fin Tube Type)
- Pen House - Louvered
- Painting
- Air Diffusers - Grills - Registers
- Radiator and Air Conditioning (Enclosures)
- Dust Collecting System (Bag Houses)

Initialed: _____

IN WITNESS AND TESTIMONY of the provisions and terms mutually agreed upon and specified herein, the duly authorized Officers and/or Representatives of both Parties hereby affix their signatures.

EH Price Limited
Name of Company

Sheet Metal Workers' International Association, Local Union No. 280
Name of Union

Name and Title

Name and Title

Name and Title

Name and Title

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

Witness

Date

Seal

Seal